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C O N F I D E N T I A L SECTION 01 OF 03 CAIRO 001940

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SUBJECT: ARAB LEAGUE AND EGYPTIAN MFA ON IRAQ, LEBANON, AND

THE PEACE PROCESS

Classified By: MINISTER-COUNSELOR WILLIAM R. STEWART REASONS: 1.4 (B) and (D)

1.(C) Summary: During an August 25 and 26 visit to Cairo, NEA Deputy Assistant Secretary David Hale met separately with Hisham Yousef, Chief of Staff to the Secretary General of the Arab League, and Egyptian Ministry of Foreign Affairs (MFA) Spokesman and Senior Cabinet Advisor Hossam Zaki. Both focused on Lebanon, but also touched on Iraq, the peace process, and Sudan. They expressed concern about the fragility of the situation in Lebanon and stressed the need to find ways to strengthen the Lebanese state. On Iraq, both saw progress but urged the U.S. not to relax, as the situation remains tenuous. Yousef also reported that the recently-appointed Arab League Ambassador to Iraq will be permanently based in Baghdad as of October 1. End summary.

Arab League on Lebanon

2.(C) On Lebanon, Yousef said the situation has stabilized thanks to the Doha Agreement which "brought people back from the edge of the abyss," but remains volatile, especially in Tripoli. DAS Hale said that it is critical not to appear to be responding to Hizballah's use of weapons. Yousef agreed and said the Arab League had been "very tough" on Hizbollah and told it that its use of force tarnished its image in the Arab world. Yousef warned that the cost of an incursion by Israel into Southern Lebanon to disarm Hizballah would be "high." Instead, he urged a resolution to the Shebaa Farms issue, claiming that the Government of Lebanon would be strengthened by taking this "card" away from Hizballah. When DAS Hale reminded him that many - including Israel- are skeptical that a resolution of the Shebaa Farms issue would lead to Hizballah's disarmament and that the organization would find another justification for claiming Lebanon remained "occupied," Yousef had no response other than to say public sympathy for Hizballah would be diminished.

Arab League on the Peace Process

3.(C) Yousef said the Arab League is in a "difficult situation" with respect to public opinion because it supported the Annapolis process, and nearly a year later, in Yousef's view, "nothing tangible has been accomplished. In contrast, the public sees Hamas and Hizballah as achieving results through violence as evidenced by the "tahdiya" (calming) and prisoner exchange, respectively. In order to respond to those who believe violence produces results, Yousef said the U.S. Administration needs to achieve a "milestone now." He fears that if nothing is achieved in the next few months, a new administration will put the peace process on hold while it deals with the issues it perceives

as most pressing; the U.S. economy and Iraq. He also cautioned that some Palestinian leaders (Ahmed Qorea', Saab Erakat) are now moving away from the idea of two-state solution and are speaking of a single "non-apartheid" state. Yousef said this would be a mistake but this type of thinking is encouraged by the lack of apparent progress in the peace process.

4.(C) DAS Hale reviewed in general terms the status of efforts to promote peace between Israel and the Palestinians, reiterated the Administration's commitments to help continue to make progress, but told him that the parties are not yet at a point where they can discuss results publicly. Nonetheless, the U.S. is working to strengthen moderates and, through the Jones and Dayton missions, is addressing Palestinian/Israeli security issues.

Arab League on Iraq

- 5.(C) On Iraq, Yousef thinks "fragile progress" is a good description of the situation and cautioned the U.S. not to relax. The Arab League's immediate concern is that the Iraqi Government will not work to achieve "broad consensus" before making "strategic" decisions in the coming months on issues such as Kirkuk. According to Yousef, Iraq is "like Lebanon" and nothing can be achieved without consensus.
- 6.(C) Yousef said that the recently appointed Arab League Ambassador to Iraq, Hani Khalaf, just returned from a short trip to Iraq. According to Yousef, Khalaf determined that

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the security situation was such that he can assume his duties in Iraq. As of October 1, Khalaf will be based permanently in Iraq.

Arab League on Sudan

7.(C) According to Yousef, the Arab League is a proponent of international law and would do nothing to jeopardize its enforcement. He warned, however, the Arab League is concerned about the negative affect the International Criminal Court indictment of President Omar al-Bashir will have on Sudanese stability. Therefore, the Arab League is urging Sudan to establish an internal process for investigating al-Bashir. Yousef said the Arab League is watching Sudan to see if the Sudanese establish an investigative process "in a serious way." Yousef also complained that the international community is not putting enough pressure on rebel groups to negotiate with the Sudanese Government. According to Yousef, the international community must "be equally firm with all parties."

MFA on Iraq

- 18. (C) On Egypt's diplomatic representation in Baghdad, MFA Spokesman and Senior Cabinet Advisor Hossam Zaki said that an MFA security team had just returned from Iraq where it evaluated the security environment to determine the feasibility of re-opening of the Egyptian embassy. Zaki said that Egypt's commitment to the return of an ambassador "is there," but it will take time to review the assessment results. Zaki said the return of an ambassador is a "big decision" for Egypt in light of the July 2005 assassination of Egypt's previous ambassador to Iraq.
- 9.(C) On the political situation in Iraq, Zaki said it is in "flux." Egypt is concerned that Iraqi President Nouri al-Maliki is "not a unifier." Zaki cited the situation between al-Maliki and the Diyala Awakening Council as an

example of al-Maliki's sectarian impulses. Zaki also expressed concern that Iraq's political process is a "green zone" process that cannot be extended throughout the country, especially to the Kurdish region, which he described as "gone." Zaki lamented that the political parties involved in the process all have "Islamist leanings" and there are no secular alternatives. Zaki sees Iranian influence as pervasive, and said that while "he is the only person in the MFA defending al-Maliki, even he sees no gap between al-Maliki and Iran."

10.(C) DAS Hale reminded Zaki that al-Maliki feels isolated from other Arab countries. While the opening of embassies is important, DAS Hale urged increased engagement between Arab states and the Iraqi government, to include visit invitations to al-Maliki.

MFA on Lebanon

- 11.(C) Zaki was preparing to accompany Egyptian Foreign Minister Ahmed Aboul Gheit on a August 27 trip to Lebanon. Zaki said Egypt, like the Arab League, believes stability in Lebanon is far from assured and is especially worried about the situation in Tripoli. Zaki said Lebanon's Christians have a crucial role to play, but he sees no unifying Christian leader. Zaki labeled Michel Aoun a "disaster." Zaki said Aoun's alliance with Hizballah is reminiscent of the 1970s alliance between the Falangists and Lebanon's Alawite community, which Zaki believes opened the door to Syrian involvement. Zaki said the Foreign Minister Aboul Gheit has no plans to meet with Aoun, but if he did, he would urge Aoun to support the Lebanese state.
- 12.(C) On Egypt's policy towards Lebanon, Zaki said it is to support the Lebanese state. As a practical measure, Zaki said Foreign Minister Aboul Gheit will encourage Lebanon to accept an Egyptian offer to provide training to officers in the Lebanese army. Zaki urged the U.S. to also encourage Lebanon to accept Egypt's offer of military training.
- 13.(C) DAS Hale stressed the need for Arab states to push for full implementation of U.N. Resolution 1701 and to develop the political will for interdicting weapons intended for Hizballah. Zaki said Hizballah feels like it is

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"currently on top," a feeling that will last until a new U.S. Administration takes power. He urged caution on confronting Hizballah over weapons. While he said Egypt has no evidence to counter Israeli claims regarding weapons smuggling to Hizballah, he said "Israel has been known to exaggerate to distract from the Palestinian issue." He said it is very difficult to believe Hizballah will do anything to provoke a war with Israel.

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